

DST on the Line with FBA

DST is a telecommunications specialist supplying home and business telephones to the UK market. Established in 1999 and registered as a Ltd company in 2002, DST has more than 10 years of trading under its belt and a wealth of knowledge. A small company of currently 10 employees, DST is based in the Northwest of England but provides products nationwide.

DST began trading online via a well known third-party platform, quickly developing its own website to cope with the demand for orders. For a while, DST had a corner of the market all to itself and 'saw unprecedented growth over the first few years of trading,' explains Dave Solomon, the founder and owner of DST. 'Since the arrival of competition in our field, it has been necessary to broaden our selling channels, and Amazon provided the perfect opportunity to do this.'

Amazon's customer focus was a deciding factor

DST's decision to start selling on Amazon was rooted in the latter's solid and growing reputation as a reliable online platform that attached the utmost importance to the customer experience, something DST was easily able to embrace as values they attributed to their own expanding business.

As Dave Solomon puts it, 'The growth of Amazon was noticed by all those selling online. With its strong online presence and reputable service it had proved itself to be a worthwhile partner and someone with whom we would happily associate our business. DST has a very strong customer focus, and we believe that this is well matched by Amazon's customer focus; therefore, we were not deflecting away from our beliefs. We recognized the possibility to grow our business and brand through the Amazon platform, which was fast becoming a must-visit site for online shoppers.'

In 2008, not long after the introduction of Fulfilment by Amazon in the UK, DST started to test the programme. In April 2009, Amazon made an improvement to the feedback system that separated the buying and fulfilment experiences, with Amazon taking responsibility for the latter. This meant that a seller's feedback score would not be negatively influenced if there was an issue with delivery. As Dave emphasized, 'This was perhaps a small but extremely significant change, which meant we had the confidence to use FBA, safe in the knowledge that any mistakes would not reflect on our own score.'

Growth in sales and valuable saving in time to bring more products to market

With a full commitment to the FBA programme, DST was able to see the business benefits kick in and the start of a noticeable upward trend in their sales as a result.

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Dave Solomon
Founder and Managing Director

Products

Home and business phones

History

1999: Company founded

2003: Started selling on Amazon

2008: Signed up for Fulfilment by Amazon



'Amazon currently contributes almost 50 percent of our sales volume with FBA slowly growing to increase this figure. Year on year, our Amazon sales are significantly higher, and we will beat last year's total sales figure within the first nine months of this financial year.'

Dave Solomon

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Dave Solomon



sales are significantly higher, and we will beat last year's total sales figure within the first nine months of this financial year,' explains Dave with satisfaction.

DST attributes their growth to a couple of important factors including the time they are able to save and subsequently devote to expanding their product portfolio and turnover, and the customer trust in Amazon that serves as an additional lever to drive up revenue. 'FBA allows us to send some of our best selling items to Amazon meaning that we can focus our attentions on launching new products and developing our business while a large percentage of order handling is managed by FBA. We also believe that customers seeing items fulfilled by Amazon as opposed to a seller gives them more confidence. This drives sales up, and the option of Super Saver Delivery gives the customer more options for delivery, again producing higher sales traffic.'

FBA as a marketing tool

Dave Solomon compliments the positive marketing aspects and associated benefits of the FBA programme and stresses the importance of system integration to effectively manage inventory and guarantee prompt time to market and customer satisfaction.

'We have found that by using Amazon we have been able to reach customers who might not have visited our website directly. Amazon is such a well-known brand that many people will not buy online without first checking out the pricing etc. on Amazon. We found integrating the Amazon orders into the CMS (content management system) of our website was crucial in the turnaround time for orders and to ensure that our stock is always up to date and customers get the best possible service. FBA allows us to get maximum exposure for our products to test the true market potential.'

The results tend to speak for themselves. DST has seen on average a 40 percent increase in business for products supplied through FBA compared to when they have been supplied directly. They are confident with FBA as 'a market growing tool.' As Dave points out, 'DST has one of the best feedback reputations in our sector and we attribute our reputation partly to FBA being so efficient and buyer friendly.'

Time savings and inventory management

Time savings are another important factor as Dave Solomon explains and quantifies from his own experience. 'We know that every order fulfilled by us takes on average seven minutes to complete from receipt. Therefore, for every order fulfilled by FBA, our staff is freed up to work on other projects.'

Receive times in the fulfilment centre and timelines for getting products online for sale are also closely monitored by DST. 'The guide line is 48 hours, and on the whole most shipments are booked in and available well before this time. We are more than happy with the time frame!'

Balancing the pros and the cons of the FBA programme, Dave Solomon reflects and concludes, 'On the whole we find Amazon and FBA to be an extremely worthwhile sales channel and one that we will continue to develop over future years.'